

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor: SUZANNE M. BUMP | KATE FITZPATRICK | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

MEMORANDUM

TO: Middlesex County Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 18, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



SECTION 2: Valuation Results for the Middlesex County Retirement System

CHART 16

Fully funded by 2035 with appropriations that increase 6.5% per year from fiscal 2016 through fiscal 2020 and lower increases thereafter

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of 2002 ERI Liability	(4) Amortization of 2003 ERI Liability	(5) Amortization of 2010 ERI Liability	(6) Amortization of Remaining Unfunded Liability	(7) Total Plan Cost: (2) + (3) + (4) + (5) + (6)	(8) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(9) Percent Increase in Total Cost
2015	\$16,941,148	\$1,676,175	\$733,735	\$60,947	\$75,111,276	\$94,523,281	\$1,276,045,381	-
2016	17,618,794	1,676,175	733,735	60,947	80,577,643	100,667,294	1,294,413,316	6.50%
2017	18,323,546	1,676,175	733,735	60,947	86,416,265	107,210,668	1,308,441,579	6.50%
2018	19,056,488	1,676,175	733,735	60,947	92,652,016	114,179,361	1,317,394,390	6.50%
2019	19,818,748	1,676,175	733,735	60,947	99,311,414	121,601,019	1,320,451,696	6.50%
2020	20,611,498	-	733,735	60,947	108,098,905	129,505,085	1,316,700,797	6.50%
2021	21,435,958	-	-	60,947	113,124,012	134,620,917	1,305,127,191	3.95%
2022	22,293,396	-	-	60,947	117,648,972	140,003,315	1,288,099,749	4.00%
2023	23,185,132	-	-	-	122,354,931	145,540,063	1,264,941,728	3.95%
2024	24,112,537	-	-	-	127,249,128	151,361,665	1,235,043,271	4.00%
2025	25,077,038	-	-	-	132,339,094	157,416,132	1,197,609,806	4.00%
2026	26,080,120	-	-	-	137,632,657	163,712,777	1,151,840,730	4.00%
2027	27,123,325	-	-	-	143,137,964	170,261,289	1,096,864,106	4.00%
2028	28,208,258	-	-	-	148,863,482	177,071,740	1,031,730,709	4.00%
2029	29,336,588	-	-	-	154,818,022	184,154,610	955,407,599	4.00%
2030	30,510,052	-	-	-	161,010,742	191,520,794	866,771,168	4.00%
2031	31,730,454	-	-	-	167,451,172	199,181,626	764,599,627	4.00%
2032	32,999,672	-	-	-	174,149,219	207,148,891	647,564,886	4.00%
2033	34,319,659	-	-	-	181,115,188	215,434,847	514,223,781	4.00%
2034	35,692,445	-	-	-	188,359,796	224,052,241	363,008,590	4.00%
2035	37,120,143	-	-	-	195,894,187	233,014,330	192,216,790	4.00%
2036	38,604,949	-	-	-	-	38,604,949	-	-83.43%
2037	40,149,147	-	-	-	-	40,149,147	-	4.00%
2038	41,755,113	-	-	-	-	41,755,113	-	4.00%
2039	43,425,318	-	-	-	-	43,425,318	-	4.00%
2040	45,162,331	-	-	-	-	45,162,331	-	4.00%

Notes: Recommended contributions are assumed to be paid in two equal installments on July 1 and December 31.

Item (2) increases at 4.0% per year. Item (6) increases 4% per year beginning in fiscal 2022.

Fiscal 2015 appropriation is budgeted amount determined with prior valuation.

Projected unfunded actuarial accrued liability does not reflect deferred investment gains.

Projected normal cost does not reflect the future impact of pension reform for new hires.